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# **Volkswagen Financial Services (UK) Limited**

## **Carbon Reduction Plan**

### **Commitment to achieving Net Zero**

Volkswagen Financial Services (UK) is committed to achieving Net Zero emissions by 2050.

## Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that have been produced historically and were prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

Reporting Year: 2022	
Emissions	Total (tCO <sub>2</sub> e)
Scope 1	2653
Scope 2	0
Scope 3*	617
<b>Total Emissions</b>	<b>3271</b>

Reporting Year: 2023	
Emissions	Total (tCO <sub>2</sub> e)
Scope 1	2336
Scope 2	0
Scope 3*	120
<b>Total Emissions</b>	<b>2457</b>

### \*Scope 3 Sources:

Area	Source
Business Travel: Flights, Rail, Car, Taxi	BCD Travel and employee logged business mileage
Employee Commuting	Annual travel survey
Upstream emissions of petrol, diesel and electricity supply	Employee logged business mileage

### Supporting Information:

1. Scope 1 emissions are generated from the gas used in the main operational buildings of VWFS in the UK. The emissions are those generated from the use of company vehicles on company business in the UK.
2. Scope 2 emissions are generated from the use of electricity in the same UK premises as scope 1. Due to the use of Certified Green Electricity, we generate do not generate any carbon emissions from our electricity usage.
3. The reporting period for GHG emissions runs from 1 January to 31 December for each respective year. Conversion factors are from the VWFS AG carbon reporting tool, as well as other carbon footprint tools for travel specific data.
4. Transport emissions were compiled using actual mileage recording in 2023.
5. Reporting continues to be refined.
6. Energy usage in building is taken from meter readings at the premises except for one location where the utilities usage is included within the rentals, in this instance an estimate was made based on occupied floor space.
7. Solar panels provide additional supply of energy at VWFS main office building.
8. Scope 3 has ongoing activity to capture all areas of scope 3 such as VWFS UK Supplier management processes, which includes downstream transportation and distribution.

## Emissions Reduction Target

In order to continue our progress to achieving Net Zero, Volkswagen Group AG has committed to be carbon neutral worldwide by 2050. Volkswagen Financial Services UK is covered by this commitment.

Short term (i.e next 12 months) and long term targets/progress against them are reviewed quarterly at the VWFS UK ESG Risk Committee and internal VWFS UK Sustainability reporting and then quarterly and annually and ad hoc as required by our Board of Management Meetings.

1 <https://ghgprotocol.org/corporate-standard>

2 <https://ghgprotocol.org/scope-2-guidance>

3 <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

4 <https://ghgprotocol.org/corporate-value-chain-scope-3-standard>

5 <https://ghgprotocol.org/scope-3-calculation-guidance>

## Carbon Reduction Projects

### Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented:

- VWFS UK main office building (One Delaware Drive):
  - High efficiency double glazing
  - Awarded BREEAM Excellent
  - Sensitive heating and cooling
  - LED lighting throughout (incl. car park)
  - Installation of solar panels
  - EV chargers available for employees
  - E-bikes available for travel between One Delaware Drive and Brunswick Court (or for lunch time leisure use)
- Zero waste to landfill policy, waste streaming at source
- Electric vehicle pool cars available for employee commuting and product experience purposes to encourage adoption
- 100% renewable green energy contract
- Introduction of flexible working, reducing employee commuting into the office
- Other employee benefits such as fully funded home charger and tree planting to reward tenure
- Development of remote training where appropriate to replace face to face training
- Introduction of the Volkswagen Group Environmental and Product Compliance Management System
- Introduction of eco labels for catering facilities on-site
- Removal of single use plastic and introduction of re-useable coffee cups

### Planned Carbon Reduction Initiatives

We are currently assessing the following carbon reduction solutions to determine their viability:

- Introduce company car scheme to increase employee BEV usage
- Increase usage of EV pool car scheme and e-bikes on site
- Business travel policy review
- Review of GreenIT tools

## Declaration and Sign Off

This Carbon Reduction plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard<sup>1</sup> and uses the appropriate Government emissions conversion factors for greenhouse gas company reporting<sup>2</sup>.

Scope 1 and Scope 2 emissions have been reporting in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard<sup>3</sup>.

This Carbon Reduction Plan has been reviewed and signed off by the UK Board of Directors.

Mike Todd  
Chief Executive Officer

Jean Smith  
Chief Financial Officer

<sup>1</sup> <https://ghgprotocol.org/corporate-standard>

<sup>2</sup> <https://ghgprotocol.org/scope-2-guidance>

<sup>3</sup> <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

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Sign off date:

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